Report of the All-Party Committee

Public Consultations on the FPI Act

103-04084/

All-Party Committee
Public Consultations on the FPI Act

February 28, 2002

The Honourable Roger Grimes
Premier
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, NF A1B 4J6

Dear Premier Grimes:

The All-Party Committee to Conduct Consultations on the Fishery Products International Act is pleased to present its report.

This report is the culmination of an extensive process that included nine public consultation meetings, the receipt of numerous oral and written presentations, and independent research by the Committee. Having carefully reviewed all the information presented to us, we believe that the report accurately reflects the views of the people of Newfoundland and Labrador on the important matter of possible amendments to the FPI Act.

The Committee was mandated to solicit public views on whether the FPI Act, in its present form, is adequate to protect the general public interest as originally conceived. Its purpose was to facilitate a focused and informed debate among all stakeholders on this critical public policy issue. We believe that we have fulfilled our mandate and purpose.

The Committee has determined that legislative changes are required to preserve and enhance the spirit and intent of the FPI Act. During the public meetings and deliberations, the message we received was clear: the people of Newfoundland and Labrador want to work with FPI to ensure the continued success of the company for the benefit of their shareholders, employees, and the communities that depend on FPI for their livelihood and prosperity.

It is the recommendation of the Committee that the House of Assembly be immediately called into session to amend the FPI Act.

We thank you for providing the opportunity to conduct this valuable work.

Sincerely,

Hon. Gerry Reid
Twillingate-Fogo (Liberal)
Committee Chairperson

Eddie Joyce
Bay of Islands (Liberal)

Mary Hodder
Burin-Placentia West (Liberal)

Yvonne Jones
Cartwright-L'Anse au Clair (Liberal)

Roger Fitzgerald
Bonavista South (PC)

Trevor Taylor
The Straits - White Bay North (PC)

Jack Harris
Signal Hill-Quidi Vidi (NDP)

Acknowledgment

The All-Party Committee acknowledges and thanks the many people who contributed to the public consultation review of the FPI Act. We could not have completed this important undertaking without the involvement of the many concerned citizens who participated. We were impressed by the emotion and quality of the input we received. Clearly, the matter of FPI's future success is of considerable importance to the company, its employees, communities and indeed the entire province.

The Committee was pleased by the level of interest in the consultation process and we were impressed by the number of people who attended the consultation meetings. We thank each and every person who attended, many of whom arrived early and stood for hours, to both listen and be heard.

Finally, we acknowledge the hard work of the planning and support team who assisted the Committee on this challenging assignment. Special thanks go to the employees of the Department of Fisheries and Aquaculture and Executive Council.

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Introduction

The Newfoundland and Labrador fishing industry is a vital part of the province's economy. In 2001, the industry generated an export value of approximately $870 million, and provided direct employment for approximately 25,000 people. The fishing industry continues to be the backbone of most rural communities within the province.

Fishery Products International Limited (FPI) is a critical part of the province's fishing industry. Formed in 1983, FPI was created to strengthen the Newfoundland and Labrador fishery. To help achieve this objective, governments invested $234 million in the new company. The company was controlled and guided by the Fisheries Restructuring Act and later the FPI Act. Despite major resource and management challenges, the company has been, and continues to be, highly successful.

Employing more than 3,000 people, FPI is the largest private sector employer in the province. The company purchases fish from 3,000 independent fish harvesters, and markets fish for many fish processing companies. FPI is the largest seafood processing company in Canada and, based on sales, it ranks as the sixth largest in North America. In many communities of the province, FPI drives the overall economic development and social well-being and contributes to the stability and prosperity of communities.

In 1999, NEOS Seafoods Ltd. bid $9.00 per share to buy all the outstanding shares of FPI. The offer was conditional upon the removal of the 15% share restriction. Government refused to lift the restriction and the bid was withdrawn. NEOS Seafoods Ltd. consisted of three partners, The Barry Group of Companies, Clearwater Fine Foods Ltd. and Icelandic Freezing Plants Corporation (IFPC). The share arrangement for the new company would have consisted of the Barry Group, 40%, Clearwater, 40%, and, IFPC, 20%.

After a lengthy and public debate, a new Board of Directors of FPI was elected on May 1, 2001. The company heralded the change as a new era in growth for the company to make it more viable, stable and competitive in the international marketplace. At the time, FPI made several public commitments to its workers, communities with FPI plants and government, the most notable of which were not to close any plants or reduce its workforce.

Within eight months of the election of the new Board, two significant elements of the company's growth strategy were announced: in September, an agreement to purchase Clearwater Fine Foods Inc. and in January, the announcement of a groundfish restructuring plan. The latter initiative would have resulted in an investment into the company's groundfish operations, but it also called for major workforce reductions at FPI plants in Marystown, Fortune and Harbour Breton. FPI later withdrew its groundfish restructuring proposal and, more recently, announced that it would not proceed with the acquisition of Clearwater Fine Foods Inc.

The company's announcements and public statements, especially those which would have resulted in higher company debt and fewer employees, raised concerns among its workforce, communities, the provincial government and members of the provincial legislature. Specifically, the concerns focused on the fact that the company's actions were a major departure from its previous commitments.

Developments within the company raised concerns that the FPI Act was no longer safeguarding the public interest. In response to requests from fishing industry stakeholders, government, in cooperation with other political parties represented in the Province's House of Assembly, agreed to establish an All-Party Committee to conduct public consultations on the FPI Act. The purpose was to facilitate a focused and informed debate among all stakeholders on this important public policy issue. Public consultations by the Committee were designed to seek the views of all industry stakeholders on the Act to ensure that it continued to serve the public interest.

The Committee recognized the importance of a positive business and investment climate, and was of the view that any proposed amendments should not be inconsistent with this objective.

The Committee conducted consultation meetings in nine communities dispersed throughout the province. This report presents background information on the evolution of FPI and the FPI Act, an overview of the consultation process as well as the recommendations of the All-Party Committee.

Background

FPI was formed from the 1983 restructuring of the offshore sector of the Newfoundland and Labrador fishery. At that time, the financial performance of most companies in a groundfish-dominated industry had weakened considerably. Given the role which the fishing industry played in the province's economy, there was a clear recognition that a planned and measured approach to industry restructuring was the best public policy. The Government of Newfoundland and Labrador, the Government of Canada and the Bank of Nova Scotia invested approximately $252 million in the creation of FPI. The 1983 Restructuring Act and Agreements included oversight provisions respecting the Board of Directors and the operation of the company, as well as restrictions on significant changes without government approval.

Over the 1984-1987 period, FPI successfully adjusted to the many challenges flowing from the Fisheries Restructuring Agreement. This established the basis upon which both governments and the Bank of Nova Scotia agreed to the FPI Privatization Agreement of April 15, 1987. It is noted that the FPI public share offering in 1987 was fully subscribed and generated privatization revenues of approximately $185 million. The Bank of Nova Scotia recovered its full $18 million investment, whereas the Federal Government received $118 million, a $50 million shortfall, and the Province received $49 million, a $17 million shortfall.

The objective of governments in the formation of FPI was to find a just and lasting solution for the rebuilding of the fishery which recognized the fundamental role that the industry played in Newfoundland and Labrador. The response by governments to the financial circumstances which led to the restructuring of the province's offshore fishery (and related inshore plant operations) reflected, first and foremost, the industry's contribution to the province's economy. Essentially, FPI was created to ensure long-term stability in the fisheries sector by consolidating the assets of a number of offshore and inshore linked companies into one large profitable company that would be modern, competitive and able to withstand the cyclical nature of the fishery.

In 1987, FPI was privatized by the Province in legislation, in *An Act Respecting the Return of the Business of Fishery Products International Limited to Private Investors* (FPI Act). A principal provision of this Act is that, "no holder of Voting Securities and associates of such holder shall hold in aggregate Voting Securities to which are attached in excess of 15% of the total number of votes attached to all Voting Securities then issued and outstanding".

The 15% restriction effectively gave a level of assurance that ownership of FPI would be widely held, and that no individual or company could take control of FPI for its own purposes. This restriction is not unusual in Canadian corporate experience where a particular public interest is at stake. Similar ownership restrictions are embodied in the Bank Act, limiting individual ownership of Canadian chartered banks to 10 %. Similarly, when the federal government privatized many Crown corporations in the 1980s, such as Petro-Canada, Canadian National and Air Canada, ownership and other restrictions were put in place through special purpose legislation, similar to that done under the FPI Act.

Following its privatization, a number of significant events impacted the company's performance. These included the major weakening of market conditions in the late 1980s, and, most importantly, the collapse of the groundfish stocks in the early 1990s. Essentially, the company

lost approximately 95 % of its core business as a result of the groundfish collapse, and had little option but to explore other business opportunities.

When the FPI Board of Directors changed in May 2001, government immediately met with Board members and began to monitor the developments within the company, recognizing that changes in the Board membership and structure are common events in the corporate world. As well, the Government of Newfoundland and Labrador sought and received written as well as public commitments respecting the future development and operation of the company. These commitments included:

- "Our goal is to grow the company in a manner which provides security to our current workforce while at the same time increasing employment in Newfoundland and Labrador." (letter dated May 18, 2001 to the Honourable Gerry Reid, Minister of Fisheries and Aquaculture, from FPI Chairman, Derrick Rowe)

- "(We) do not intend to close any of FPI's processing facilities in Newfoundland or elsewhere. In fact, by reinvesting in these facilities and by seeking new sources of raw materials, FPI will be in a position to increase the number of Newfoundlanders that it employs." (April 2001, Proxy Circular to Holders of Common Shares of FPI from Dissident Slate)

- "We are going to do this (expand the company) by investing in the company, not by laying people off." (Quote, Mr. John Risley, May 2, 2001, The Globe & Mail)

- "There is no plan to cut jobs or close plants." (Newspaper Advertisement, April 3, 2001)

- "We do admire FPI for having a social conscience. We think we do within our business. We are very sensitive to the responsibility we have to communities and I can assure you that we

seek to build on that conscience, not to tear it down. None of the FPI employees have anything to fear." (Quote from Mr. John Risley, May 2, 2001, VOCM News)

- "So I think you will see that we will be proceeding as quickly as due process will allow to seek out new investment opportunities and with that we believe we will create new employment opportunities and quality job opportunities." (Quote from Mr. Derrick Rowe, May 2, 2001, VOCM News)

On January 9, 2002, FPI made a presentation to the Fish, Food, and Allied Workers Union (FFAW) concerning its groundfish operations located at Marystown, Fortune and Harbour Breton. The company proposed to invest $12 million in new capital and redeploy $6 million of existing equipment in the three plants. The company projected that this plan would result in a reduction of 584 positions in the three plants from the current workforce of 1,304.

Despite being withdrawn after severe criticism, the proposal to reduce its groundfish workforce by 45% shook the entire industry - FPI workers and their families, communities and entire regions of the province. The proposal was at such a variance with their commitments that the confidence and trust that many had in the company was severely eroded. It was at this time that the All-Party Committee was established to review the FPI Act.

The All-Party Committee

The All-Party Committee was comprised of members of the Newfoundland and Labrador House of Assembly. The Committee was chaired by the Honourable Gerry Reid, Minister of Fisheries and Aquaculture, (MHA for Twillingate-Fogo), and consisted of Mary Hodder (MHA for Burin-Placentia West), Yvonne Jones (MHA for Cartwright-L'Anse au Clair), Eddie Joyce (MHA for Bay of Islands), Trevor Taylor (MHA for The Straits and White Bay North), Roger Fitzgerald (MHA for Bonavista South) and Jack Harris (MHA for Signal Hill-Quidi Vidi).

The Committee held consultation meetings from January 28, 2002 to February 11, 2002 in Marystown, Bonavista, Twillingate, Harbour Breton, Plum Point, Port aux Choix, Stephenville, Triton and Fortune. A meeting had been scheduled for Red Bay, Labrador; however, after consulting with interest groups in the area, it was decided that a public meeting was not necessary. The public was invited to make a pre-arranged 15-minute presentation at the meetings, and/or to speak at the open microphone session after the presentations were completed.

In addition to attending the consultation meetings, the public was invited to submit written briefs to the Committee and to provide comments online through the All-Party Committee website.

A discussion paper entitled *All-Party Committee to Conduct Public Consultations on the FPI Act* (Appendix A) was distributed prior to each consultation meeting and made available through the Committee's website. The document provided background information on the issue, the purpose of the review, possible amendments to the FPI Act and information on how the public could provide their views. In total, about 3,000 copies of the discussion paper were distributed.

Summary of Consultations

It is estimated that in excess of 4,000 people attended the sessions across the province. There were 37 written submissions, 63 formal presentations and an additional 73 oral representations at the end of the meetings. The following is a brief summary of opinions expressed during the public consultation process.

General Response

The Committee was very impressed with the passion and conviction displayed by all participants, regardless of their position on the issues. Several of the sessions, particularly those in

Marystown and Harbour Breton, were emotionally charged and stakeholders seized the opportunity to convey their strongly-held beliefs.

In Marystown, the message heard was that, "FPI has been the lifeblood of the Burin Peninsula. Plant workers and community leaders are committed to fight plant layoffs and closures." The Fortune session reaffirmed this message, where one speaker said, "the fishing industry is the most important contributor to Newfoundland and Labrador, especially our town Fortune and the South Coast." In Triton, the Committee heard how the plant helps contribute to the prosperity of surrounding towns like Grand Falls-Windsor. The same message was heard in Harbour Breton, where the Committee was told how the rise or fall of the plant will have an effect on other towns like Bay d'Espoir, Springdale, Deer Lake, Grand Falls-Windsor and Corner Brook. While some sessions saw participants raise local issues and concerns, such as on the Northern Peninsula, there was no denying the strong and consistent message conveyed at all sessions regarding the importance of the fishery and the local plant to the health and livelihood of each community.

A speaker from Twillingate was concerned with consolidation in the industry. Another speaker spoke on how the fishing industry is at the heart of many communities and addressed the relationship between the tourism and fishery sectors. The tourism sector, he noted, was identified as having great potential in rural Newfoundland and Labrador. He suggested, however, that it would be difficult to attract investment in the tourism industry if the town's main economic activity, the fish plant, was in trouble.

Many participants spoke on what they perceived as the real purpose of the consultation process. They suggested it was about people who want to stay in the communities where they have lived and worked their entire lives. In Fortune, the Committee heard that the consultation process was about the thousands of people who built FPI. It was about the history of the fishery - "a few people getting rich on the backs of the masses." A speaker from Plum Point summed up his feelings this way, "I've listened as people have protested, as young people have headed off to the

mainland....We have plenty here to sustain us - if we're given the opportunity to use it." A similar message was heard in Harbour Breton, where one individual said, "The 100 plus young workers are the ones who will be most affected with the loss of 130 workers - people will move, schools will be affected, the Council will collect less taxes." It was suggested that from a strictly social perspective, "our children will be adversely affected....Adults can stand a lot of stress, but stress like this is very tough for our children."

Many participants spoke of feelings of desperation and uncertainty. They also spoke of a strong sense of mistrust of the new FPI Board and management. In Port aux Choix, concern and dismay resonated throughout the hall, "Worried? We're more than worried! We have 150 people in our plant right now. If this is cut by 50%, how can a town survive? There is not much optimism here on the Northern Peninsula. Whether share values rise or plummet, people are concerned, people are upset."

During the consultation process, the Committee heard many sad stories about the death of towns. There was a suggestion by a presenter in Stephenville that more people were not attending from Ramea because of cynicism and apathy. He said he would have to be the voice for the people who didn't show up because it was too expensive for them to fly back from Ontario, Alberta and British Columbia.

The Committee heard a passionate plea from the Mayor of Port Union to help his community. He invited the Committee to tour his town in order to put a human face on the devastation caused by the cod moratorium. The Committee accepted his offer and saw firsthand the closed gas stations, the closed supermarket and boarded up homes. The Committee also heard from a plant worker in Harbour Breton with seventeen years experience who also wished to put a human face on the people who could be affected by plant closings and job cuts. She said, "I am not a number on a piece of paper....We have real names: Yvonne, Linda, Mary. We won't go down easy. You (FPI) have a fight on your hands, our community is behind us."

A vocal and heated response from many participants centered on recent comments from individuals who questioned the work ethic and culture of Newfoundlanders and Labradorians. The message was simple but unequivocal. From Marystown, the Committee heard, "Newfoundlanders are the hardest working people you'll ever meet." In Triton, the Committee heard that, "the fish plant workers are second to none." Another plant worker spoke emotionally of her love for her job, and how several of her co-workers were on medication for crab asthma just so that they could work in the plant. A similar message was heard from the Northern Peninsula to Bonavista to the South Coast. One individual summed up the feelings of many, "We are not lazy people. The reason many of us only worked for 14 to 24 weeks is the lack of raw material. We're used to working 52 weeks a year. We're proud people, proud of our way of life. I want to work!"

A number of speakers spoke eloquently on the contribution made by Clearwater Fine Foods in Grand Bank and St. Anthony. They, and others, felt government should not be proposing any legislative amendments that would hinder FPI, a private company, from making sound business decisions to grow the company for the benefit of their shareholders, workers and the communities in which they operate. The majority, however, saw the Committee and government as the only source of protection for their jobs and communities.

Specific Observations Regarding the FPI Act

A number of issues regarding the FPI Act received the support of the majority of participants, including: amending the 15% share restriction to include non-voting as well as voting shares; requiring that FPI quotas and resource allocations be harvested and processed by Newfoundlanders and Labradorians; the need for a preamble to the Act; and, a provision that the company headquarters be located in the province. Most people strongly requested that government protect employment levels in their communities. Others, however felt that

government should not interfere in private business, and that amendments to the Act would only damage FPI and the province's investment climate.

Clarification of the 15% Share Restriction

The majority of presenters supported the need to clarify the intent of the 15% share restriction to include non-voting as well as voting shares. This issue received the most, and perhaps the strongest, comments. Many gave the same message - address the 15% restriction according to the spirit and intent of the Act, namely, that FPI was established to be a widely held company. A minority group of individuals expressed opinions in support of having no, or limited, restrictions on FPI as a private company.

Current and Future Quotas and Resource Allocations

Most presenters also requested that the FPI Act ensure that FPI quotas and resource allocations in waters adjacent to Newfoundland and Labrador be harvested by Newfoundlanders and Labradorians and processed within the province. This position was strongly supported throughout the consultation meetings, as individuals reiterated the importance of protecting quotas and allocations for Newfoundlanders and Labradorians. Several presenters noted that quotas should be protected for those who historically harvested and processed them. Representatives of communities who formerly had FPI plants questioned the definition of "historical", since they had previously lost their quotas along with their plants.

Other Amendments and Recommendations

Other recommendations included: a request for government to investigate the proposed buyout of Clearwater Fine Foods by FPI, and more specifically for government to *stop the deal;* a suggestion that there be community or Federation of Municipalities representation on the Board

of Directors of FPI; and, the need for a provision within the FPI Act which would require government approval for FPI decisions resulting in loss of employment.

There was a widely held view that communities and FPI workers had lost trust in the company's Board of Directors and executive. This view seemed to have commenced with the company's decision to reduce profit-sharing in December 2001. Trust was further eroded with the announcement of the groundfish restructuring plan which included a workforce reduction. While an FPI representative noted at the first consultation meeting in Marystown that the groundfish proposal was withdrawn and apologized for not properly presenting a groundfish modernization plan, this did not reduce the anger, mistrust and loss of confidence in the company as expressed by many workers, private citizens and community representatives. This was particularly evident in the communities of Marystown, Fortune and Harbour Breton.

Some presenters expressed the view that government should not interfere with the private sector, that the FPI legislation should be repealed, and that government should not restrict a company's ability to modernize and make business decisions.

In response to the request for comments and recommendations on other fisheries-related issues, a range of ideas were put forth. Some people suggested government should freeze all new plant processing licenses. Others asked that consideration be given to the implementation of community fish quotas. At the consultation meetings on the Great Northern Peninsula a number of participants requested that all fish landed in the area be processed in the area. A long-term vision focusing on training of people for the fishery was also proposed, as was the idea of complete value-added processing in the province.

We heard several people speak about foreign overfishing and the effect this is having on the recovery of the Newfoundland and Labrador fishery. From the Mayor of Burgeo, we heard that the recently reported overfishing on the nose and tail of the Grand Banks comes as no surprise.

He noted that foreigners are overfishing with impunity, citing the recent case of the Portugese trawler with a Spanish captain charged with major fishing violations. The case will be heard in a Portugese court. The Mayor also suggested that the Newfoundland and Labrador government should demand extension of the 200-mile limit to take in the nose and tail of the Grand Banks.

Similar concerns were expressed by a speaker in Triton. His explanation of why the fishery is not recovering is that the European Union (EU) and NAFO countries are flagrantly violating fishing levels. He stated, "The Grand Banks is a most valuable resource - no one is protecting it. If Canada took control of the nose and tail of the Grand Banks, the resource would recover. There is no outcry about undersize mesh and foreign overfishing - Mr. Chretien has no idea about preserving or protecting the Grand Banks. With respect to overfishing, DFO looks the other way. We must speak out - Ottawa has to listen."

Summary of FPI Submission

As part of the consultation process, the All-Party Committee encouraged and accommodated the participation of FPI in the process. Although FPI declined to participate in the public process beyond the oral presentation by the Honourable John Crosbie on behalf of the company during the consultation meeting in Marystown, a comprehensive written submission was received from FPI. This submission, along with supplementary information from the company, was carefully reviewed by the committee. The following is a synopsis of FPI's submission to the Committee:

- It was the view of FPI that an amendment regarding the 15% share restriction to the Act, in no way constitutes a clarification of the purpose and intent of the Act. They emphasized that the FPI Act, illustrated through its title (*An Act Respecting the Return of the Business of Fishery Products to the Private Sector*) was meant to return the company to the private sector. It was also reiterated in their presentation that the purpose of the Act is "to create a company whose primary objective was to strengthen the Newfoundland fishery and that was

economically viable, efficient and modernized so that it would be highly competitive especially in international markets." They stated that the suggested amendments do not meet the standards of the Act; are incompatible with the stated purpose of the Act; are incompatible with the continued success and viability of FPI as a private company; and, are detrimental to the interest of the people of the province.

- The submission noted that the FPI Act already had restrictions on the company, such as: a requirement that FPI must remain under the jurisdiction of Newfoundland and Labrador; a prohibition on the disposal of all or substantially all of its property or business which relates to the harvesting, processing and marketing of seafood; a requirement that the majority of directors be residents of Newfoundland and Labrador; a requirement that there be only one member of FPI management on the board; and a 15% restriction on the ownership of voting shares in the company.

- The submission stated that any amendments would not, as stated in the FPI Act, strengthen the Newfoundland fishery, nor create a company that is economically viable, efficient and modernized. They noted that any amendments would be inconsistent with the spirit, intent and letter of the Act as demonstrated by the fact that several of the restrictions were contained in the 1983 Restructuring Agreement and deliberately and specifically deleted by the legislature in enacting the FPI Act in 1987.

- With respect to its groundfish operations, the submission noted that FPI incurs significant annual losses. In 2001, the losses totalled $3 million. FPI envisages a modernization effort that would lead to improved efficiencies by reducing the cost of operations so that the facilities could eventually operate for 40 weeks of the year with its current quotas, and 52 weeks a year with the addition of procured H&G (headed and gutted) raw material from outside the province.

- FPI recognized that there were significant job implications resulting from the implementation of their groundfish plan, and that an acceptable job transition plan must be organized in order to implement their plan. The company made it clear that it was never its intention to implement any investment program to revitalize its groundfish operations without a reasonable program of assistance to deal with affected workers. The remaining workforce, equipped with modern processing technologies and practices, would position FPI to be a globally competitive groundfish producer.

- The company highlighted their view that the extension of the 15% ownership restriction on voting securities to non-voting equity is not consistent with the purpose and intent of the FPI Act. They view the intent of the Act to be the elimination of restrictions inconsistent with FPI Limited being owned by the private sector. The company noted that the extension of the ownership restrictions would impair FPI's access to capital markets, thereby raising the cost of new capital and limiting its availability.

- FPI stated in its submission that a privative clause would do permanent damage to the reputation of Newfoundland and Labrador as a place to do business and would constrain its efforts to compete internationally.

Discussions and Considerations of the Committee

As noted in the summary of consultations, throughout this process the most consistent and powerful message was the need to honour the spirit and intent of the FPI Act as it pertains to a restriction on share ownership in the company. Other common messages included strong support for ensuring that FPI quotas are harvested and processed in the province, and the request for a requirement to have the company's head office located in Newfoundland and Labrador.

There were discussions regarding provisions to include a requirement that the company provide notice to government in the event of decisions resulting in significant, permanent losses of employment and a requirement to have a member appointed by the Government of Newfoundland and Labrador to the FPI Board of Directors. While a number of presenters called for a return to the more restrictive provisions present in the Fisheries Restructuring Act, others preferred that government be less intrusive in the day-to-day operations of the company.

The Committee heard a variety of representations regarding the proposed layoffs by FPI and the effects that it would have on the future of employees and that of their communities. Most presenters requested the committee to act to protect these jobs that are so important to their communities, given that the alternatives for other employment are severely limited. Many recognized, however, that this is not something that can be legislated directly. There was also a widespread recognition that modernization and development could result in employment adjustment.

The committee concludes that it is not appropriate to legislate in this area. There are existing agreements between government and FPI with respect to the consequences of plant closures and workforce adjustments are also subject to collective bargaining with a strong and effective labour union. It is also evident from recent events that the public and political climate of the province will not find acceptable unilateral action by FPI that imposes significant hardship on workers and communities in the province without detailed and comprehensive consultations with the employees and their representatives and the communities affected, and proper and appropriate amelioration of the potential effects.

15% Share Restriction

It is exceedingly clear that the majority of those participating in the consultation meetings preferred that the 15% restriction be clarified so that it encompasses all shares held in the company, including voting and non-voting shares.

The Committee considered the reason for the inclusion of the restriction in the FPI Act as part of the privatization of the company, its impact on FPI's ability to finance acquisitions and raise capital for modernization, and the spirit and intent of the restriction and its relevance in today's environment of corporate concentration and modernization.

To understand the debate surrounding the 15% share ownership restriction one must understand how FPI came into being. As noted in the background section, the collapse in the deep-sea and processing sectors of the early eighties, brought on by companies' accumulation of excessive debt, high interest rates and a weak market, forced the federal and provincial governments in cooperation with the Bank of Nova Scotia to restructure the assets and debt of eight Newfoundland fish companies into FPI. This was accomplished through a substantial infusion of government money and forgiveness of substantial outstanding debt. In privatizing FPI, government placed the 15% share ownership restriction on the company. At the time, government wanted to ensure that FPI's ownership was sufficiently diffused so that it would not be susceptible to the fluctuations of the fishery; that it could have a stabilizing effect on the industry; and that the company would not be completely separate from public policy considerations.

The FPI Act refers to a restriction on the voting securities of that company. While voting securities do not include all types of shares that a particular company can issue, these were the only type issued by FPI since its privatization.

There are those who suggest that changes to the 15% share ownership restriction to include all types of shares would constitute an expansion of the legislation. However, it is the Committee's belief that the intent of the legislation was that no one would own more than 15% of FPI. Based on the consultation meetings, there is considerable evidence to suggest that most others also

understood this to be the case. The Committee is of the view that this intent should be expressed specifically by appropriate amendments to the legislation.

Quotas

The Committee is convinced of the importance of protecting quotas. The level of concern expressed to the Committee, as well as recent history, demands that the strongest possible action be taken to ensure that FPI quotas continue to be processed within the province to maximize the benefits to Newfoundlanders and Labradorians.

The Committee has been advised by FPI officials that it would be willing to enter into a binding contractual arrangement with the Government of Newfoundland and Labrador which they believe would be preferable to legislation requiring all current and future FPI quotas and allocations in waters adjacent to Newfoundland and Labrador be harvested by Newfoundlanders and Labradorians and processed within the province. The Committee is in agreement that a suitably enforceable contractual agreement with FPI would satisfy the concerns with respect to potential transfer of quotas or processing of resource outside the province and preclude the requirement for legislation.

Privative Clause

The Committee has carefully considered the possibility of including a privative clause in the amendments to the FPI Act. The purpose of such a clause would be to foreclose the possibility of an action or proceeding being initiated against the Crown for compensation or damages arising from enactment or application of a provision of the amended Act. Based on legal advice, the Committee is satisfied that such a clause should be included to protect the public interest of Newfoundland and Labrador.

Head Office Location

Upon re-examination of the FPI Act, it was noted by the Committee that currently there is no provision requiring that the company's corporate and administrative headquarters be located in Newfoundland and Labrador. As FPI was created to be a company which would act as a flagship for the province's fishing industry, for the benefit of Newfoundlanders and Labradorians, the Committee agrees that a provision regarding the location of the company's corporate and administrative headquarters is appropriate.

Preamble

The Committee also believes that the FPI Act would be enhanced by the inclusion of a preamble that would more fully outline the purpose of the Act.

All-Party Committee Recommendations

Having carefully considered all the submissions and information presented, the All-Party Committee recommends the following:

1. **The Committee recommends that the Act should be amended to ensure that no person or corporation shall be permitted to own more than 15% of the voting or non-voting common, preferred or any other class of shares of FPI Limited and/or Fishery Products International Limited. Ownership must be defined as including all forms of equity, so that no person or corporation can hold more than 15% of the total equity in the company.**

2. **The Committee recommends that the government and FPI attempt to reach an enforceable agreement on the issue of quotas. In the event that the parties cannot reach an acceptable, enforceable agreement within a reasonable period, the Committee recommends that the FPI Act be amended to include a requirement that all current and future FPI quotas and allocations in waters adjacent to Newfoundland and Labrador be harvested by Newfoundlanders and Labradorians and processed within the province.**

3. **The Committee recommends that the Act should be amended to include a provision requiring that the corporate and administrative head office of FPI Limited and/or Fishery Products International Limited be located in the Province of Newfoundland and Labrador**.

4. **The Committee recommends that the amendments to the *FPI Act* should include a privative clause**.

5. **The Committee recommends that the Act should be amended to include a preamble.** The preamble should include wording to note that the purpose of the Act is:
   - to recognize the fundamental importance of the role that the fishing industry plays in Newfoundland and Labrador;
   - to continue the company as a widely held company that can act as a flagship for the industry whose objective is the growth and strengthening of the fishery of the province;
   - to recognize the need for a company which operates on the basis of sound business and commercial decisions without undue disruption to the historical pattern of harvesting and processing in the province; and
   - to ensure maximum employment stability and productivity through employee consultation and participation in the company.

Conclusion

The All-Party Committee agrees, that issues regarding the FPI Act are of an urgent nature. Throughout the public consultation process, most people consistently requested that the Committee move forward on this issue in the most expedient and efficient manner, given its significance to the people of Newfoundland and Labrador. It is clearly in the best interests of FPI and its employees that this matter be dealt with directly and amendments to the FPI Act should be brought forward to the House of Assembly as soon as possible.

APPENDIX A

All-Party Committee to Conduct
Public Consultations on the
FPI Act

CONSULTATION DOCUMENT

January 2002

MESSAGE FROM THE MINISTER OF FISHERIES AND AQUACULTURE

The fishery in Newfoundland and Labrador is, without a doubt, the most important contributor to our rural economies, and more significantly to our rural way of life. As such, it is incumbent upon us all to ensure that the fishery operates in a manner which protects and promotes the interests of the people of this province.

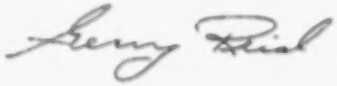
Fishery Products International (FPI) was created in 1983, as a result of a major restructuring initiative which combined the assets of several companies and processing facilities. The goal then, as it remains today, was to have a modern and internationally competitive company which provides long-term stability and employment in the fisheries sector, for the benefit of Newfoundlanders and Labradorians.

The purpose of the consultation process is to seek the public's views on what amendments are necessary to the FPI Act to ensure the public interest is protected.

This All-Party Committee will be travelling to Marystown, Bonavista, Twillingate, Harbour Breton, Red Bay, Plum Point, Stephenville and Springdale. I would like to encourage the public to attend and contribute to the public sessions in your region, to ensure a fair and open debate on issues relating to the FPI Act.

Please read carefully this consultation document, and let your voice be heard on these important issues. I would like to thank you in advance, for your participation in these public consultations. Your contributions will serve to assist government in making important decisions which will ensure that the interests of the people of the province are protected.

Sincerely,



Gerry Reid, MHA
Twillingate-Fogo

Introduction and Background

The Newfoundland and Labrador fishing industry remains a vital part of the province's economy. In 2001, the industry generated an export value of approximately $870 million, and provided direct employment for about 25,000 people. The industry remains the backbone of many rural communities and offers a sustainable economic activity.

Fishery Products International (FPI) was formed from the 1983 restructuring of the offshore sector of the Newfoundland and Labrador fishery. At that time the financial performance of most companies in a groundfish-dominated industry had weakened considerably. Given the role which the fishing industry played in the province's economy, there was a clear recognition that a planned and measured approach to industry restructuring was the best public policy. The Government of Newfoundland and Labrador, the Government of Canada, and the Bank of Nova Scotia invested approximately $252 million in the creation of FPI. Given that FPI, in 1983, was a fledgling company, the Restructuring Act and Agreement included oversight provisions for the governments respecting the Board of Directors and the operation of the company.

Over the 1984-1987 period, FPI successfully adjusted to the many challenges flowing from the Fisheries Restructuring Agreement. This established the basis upon which governments and the Bank of Nova Scotia agreed to the FPI Privatization Agreement of April 15, 1987. It is noted that the FPI public share offering in 1987 was fully subscribed and generated privatization revenues of approximately $185 million. The Bank of Nova Scotia recovered its full $18 million investment whereas the Federal Government received $118 million, a $50 million shortfall, and the Province received $49 million, a $17 million shortfall.

The fundamental objective of governments in the formation of FPI was to find a just and lasting solution for the rebuilding of the deep sea fishery which recognized the fundamental role that the fishing industry played in Newfoundland and Labrador. The response by governments to the financial circumstances which led to the restructuring of the province's offshore fishery (and related inshore plant operations) in 1983 reflected, first and foremost, the industry's contribution to the province's economy. Essentially, FPI was created to ensure long-term stability in the fisheries sector by consolidating the assets of a number of offshore and inshore linked companies into one large profitable company that would be modern, competitive, and able to withstand the cyclical financial performance of the fisheries sector.

In 1987, FPI was privatized by the Province in legislation, in *An Act Respecting the Return of the Business of Fishery Products International Limited to Private Investors* (FPI Act). A principal provision of this Act is that *"no holder of Voting Securities and associates of such holder shall hold in aggregate Voting Securities to which are attached in excess of 15% of the total number of votes attached to all Voting Securities then issued and outstanding"*.

The 15 percent ownership restriction was meant to ensure a measure of broadly held ownership in FPI upon the Company's privatization. The 15 percent rule created by this unique piece of provincial legislation effectively gave a level of assurance that FPI, subsequent to its privatization, would be managed in a manner that would not be completely independent of public policy considerations.

Following its privatization, a number of significant events impacted the company's performance. These included the major weakening of market conditions in the late 1980s, and, most importantly, the collapse of the groundfish stocks in the early 1990s. Essentially, the company lost approximately 95 percent of its core business as a result of the groundfish collapse, and had little option but to explore other core business opportunities. The company is seen as the flagship of the Newfoundland and Labrador fishery and the Canadian seafood industry, and as a demonstrated industry leader on environmental and conservation issues.

In May 2001, FPI elected a new Board of Directors to manage the company. When the Board changed, all political parties agreed that there was no role for government to intervene in that particular action. At that time, government immediately began to monitor the developments within the company, recognizing that changes in the Board membership and structure are common events in the corporate world. Following the changes to the company's Board of Directors, the Government of Newfoundland and Labrador sought and received written commitments respecting the future development and operation of the company. These included a commitment not to close plants, nor to reduce its workforce. Specifically, in a letter dated May 18, 2001 to the Honourable Gerry Reid, Minister of Fisheries and Aquaculture, the company stated *"Our goal is to grow the company in a manner which provides security to our current workforce while at the same time increasing employment in Newfoundland and Labrador."* As well, the company stated *"None of the FPI employees have anything to fear"* and *"We are going to do this (expand the company) by investing in the company, not by laying people off"*. In a newspaper advertisement, last spring, the Company stated *"there are no plans to cut jobs"*.

On January 9, 2002, FPI presented a proposal to the Fish, Food, and Allied Workers Union concerning its groundfish operations located at Marystown, Fortune, and Harbour Breton. As phase one of its proposal, in 2002, the company proposed to invest $12 million of new capital, and redeploy $6 million of existing equipment. The company had projected that its groundfish proposal would result in a reduction of 584 positions in the three plants from the current workforce of 1,304. The proposal was subsequently withdrawn by the company.

The FPI groundfish proposal was at such a variance with the company's previous commitments that government has established an All-Party Committee to undertake a review of the FPI Act to ensure that the Act continues to serve the public interest.

Government is committed to a positive business and investment climate. Government is of the view that, given the unique nature of FPI, operating under an Act of the Legislature of Newfoundland and Labrador, any amendments that government will propose will not be inconsistent with this objective.

Why is the consultation process being held?

The purpose of the consultation process is to seek the public's views on what amendments are necessary to the FPI Act to ensure the public interest is protected.

Should government consider amendments to the FPI Act along the following lines:

- a preamble which describes and clarifies the purpose and intent of the Act?
    - Possible wording could include:
        - to have a company whose business decisions will not disrupt the historical pattern of harvesting and processing in the province; and
        - to ensure maximum employment.
- a provision requiring that the company headquarters be located in Newfoundland and Labrador?
- a requirement for an appointment by government of a member to the FPI Board of Directors?

- a government oversight provision regarding decisions by the company resulting in significant, permanent losses of employment?

  - Under the Fisheries Restructuring Act, government approval was necessary if the permanent change in employment was in excess of 100 people, or one-half of the workforce. Should any oversight provision specify a number (e.g. 100) or, should approval be required for any significant, permanent loss of employment?
  - Should a time frame be specified, such as on an annual basis?

- a provision requiring that all current and future quotas and resource allocations held by FPI in waters adjacent to Newfoundland and Labrador shall be harvested and processed within Newfoundland and Labrador?

- government has announced that it intends to clarify the intent of the 15 percent share restriction contained in the FPI Act, to honour the intent and spirit of the legislation.

  - Possible wording could include:
    - that no person shall own more that 15 percent of the voting or non-voting common or preferred shares of FPI.

The amendment to the legislation will also contain a privative clause which will foreclose the possibility of an action or proceeding being initiated against the Crown for compensation or damages, arising from enactment or application of a provision of the amended Act.

Are there other amendments government should consider?

How will the consultation process work?

Consultations will be carried out by the All-Party Committee, which is chaired by Fisheries and Aquaculture Minister Gerry Reid.

The consultation sessions will be held in Marystown, Bonavista, Springdale, Twillingate, Harbour Breton, Springdale, Stephenville, Plum Point, and Red Bay. The exact times and dates will be announced through local media. Interested groups or individuals may attend these public sessions and/or submit written documents up to February 8, 2002.

Please forward written submissions to:

Honourable Gerry Reid
Minister of Fisheries and Aquaculture
Chair - All-Party Committee on the FPI Act
Department of Fisheries and Aquaculture
P.O. Box 8700
30 Strawberry Marsh Road
St. John's, NF
A1B 4J6

How can I express my views?

You can express your views by:

- attending a session in your area - see local papers and the government website for exact times, dates and locations;
    - You have the option of making a 10 to 15 minute oral presentation at one of the sessions, or speaking briefly at the open microphone after presentations are completed.
    - Groups and individuals should call 709-729-3712 in advance to schedule a time for a short presentation.
- submitting a written brief; or
- making a submission online at http://www.gov.nf.ca or faxing to 709-729-0360.

What will happen after the consultation process?

When the All-Party Committee completes the consultation process, a report of the Committee will be prepared summarizing the views expressed at the sessions and in written submissions. The wording of amendments to be presented to the legislature will be determined following the consultative process.

APPENDIX B

Summary of Consultation Meetings

Summary of Consultation Meetings
All-Party Committee Review of the FPI Act
January 28, 2002 to February 11, 2002

Marystown - January 28, 2002
Bonavista - January 29, 2002
Twillingate - January 30, 2002
Harbour Breton - January 31, 2002
Plum Point - February 5, 2002
Port au Choix - February 5, 2002
Stephenville - February 6, 2002
Triton - February 7, 2002
Fortune - February 11, 2002

Marystown

- Hotel Marystown, January 28, 2002
- 1,200 people in attendance
- Scheduled Presenters: 14
- Open Microphone Speakers: 9
- Written submissions: 9

General Themes:

- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction from the majority of presenters.
- Most presenters stated that they wanted the proposed Clearwater Fine Foods deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI regarding this proposed deal.
- With the exception of the proposed amendments regarding the 15% share restriction, most presenters were not specific in what amendments should be made; there was a general call to protect jobs and communities on the South Coast.
- Some speakers stated the need to address the issue of quotas, to ensure that quotas stay within the province and are processed at South Coast plants.
- Two presentations, one by John Crosbie, FPI, the other by Lenus Bungay, Plant Manager for Grand Bank Seafoods (a Clearwater plant), strongly advocated that Government should not be intervening in the business of a privately held company. Both praised the entrepreneurship of John Risley, and his commitment to several Newfoundland rural communities, particularly Grand Bank. They stated that Government needed to develop a long-term strategy for the fishery of the province.

Bonavista

- Discovery Collegiate, January 29, 2002
- 600 people in attendance
- Scheduled Presenters: 13
- Open Microphone Speakers: 5
- Written Submissions: 5

General Themes:

- There was a great deal of concern for the future status of the Bonavista plant. Several presenters stated that FPI told them that they will 'look at groundfish plants this year, and shellfish plants next year'. As well, union officials stated that FPI has not articulated a long-term vision for the Bonavista plant, other than to say "it must become sustainable."
- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.

- Most presenters stated that they wanted the proposed Clearwater deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI regarding the Clearwater Fine Foods takeover.
- Most presenters were not specific in what amendments should be made, other than the 15% share restriction; there was, however, a general call to protect jobs and communities.
- Some speakers stated the need to address the issue of quotas, to ensure that quotas stay within the province and are processed at plants that have historically handled these quotas.
- Other recommendations included setting up a special Task Force to look at the future of the fishery (John Efford), to putting a freeze on the issuance of new licences, particularly crab (several speakers), and to calling an election on this issue (Leo Puddester).

Twillingate

- Lion's Den, January 30, 2002
- 110 people in attendance
- Scheduled Presenters: 0
- Open Microphone Speakers: 9
- Written Submissions: 0

General Themes:
- There was much support for Government's position to clarify the spirit and intent of the 15% share restriction.
- There was a general sense of mistrust for John Risley and the current Board of Directors of FPI.
- Most speakers were not specific in what amendments should be made; there was a general call to protect jobs and communities and for government to "do the right thing."

Harbour Breton

- St. Joseph's School, January 31, 2002
- 700 people in attendance
- Scheduled Presenters: 8
- Open Microphone Speakers: 12
- Written Submissions: 3

General Themes:
- Since Harbour Breton was one of the communities impacted by the proposed FPI investment plan, a lot of anger was directed at FPI management and the Board of Directors.
- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.
- Most speakers stated that they wanted the proposed Clearwater deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI regarding this proposed deal.

- Most presenters were not specific in what amendments should be made, other than the 15% share restriction; there was a general call to protect jobs and communities.
- Other key points raised in presentations included: the failure of FPI to invest in the plant (while, at the same time, investing in Marystown and Triton); the potential for equipment and technology to be transferred from Marystown to Harbour Breton (not preferred); the impact that any downsizing (or closure) would have on overall social and economic development in the region; ensuring quotas historically processed in Harbour Breton remain (two presenters suggested community quotas as a way of doing this); and legislating a percentage of profits to be directed into capital investment in specific plants.
- Several speakers stated that Harbour Breton and the region were very confident and positive, particularly during the past year, with the plant employing over 300 people. Casual workers who had not been called back in five to seven years also received enough work to qualify for employment insurance. Since January 9 and the FPI proposed plan, however, the spirits of the region have been dampened, with many people very concerned about the future of the plant. It has already been reflected, according to a business owner, in declining consumer spending in the region.

Plum Point

- Plum Point Motel, February 5, 2002
- 125 people in attendance
- Scheduled Presenters: 2
- Open Microphone Speakers: 10
- Written Submissions: 2

General Themes:

- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.
- Many presenters highlighted concerns about the fishery in general, and the impact of FPI on the industry overall.
- Most presenters were not specific in what amendments, other than the 15%, should be made; there was a general call to protect jobs and communities.
- Many speakers highlighted the ongoing regional concern of raw material, particularly shrimp, being trucked off the Northern Peninsula. Speakers called for government to legislate that any resources caught in the region mu . be processed in the region. There were several comments regarding government policy on licensing and the issue of trucking resources.
- Other issues raised included the 20% EU tariff on shrimp; that shrimp harvesters could only sell to Daley's and FPI; the absence of FPI on the Committee (some felt that FPI should be at the table, and their views presented at each meeting); concern of an FPI monopoly on the fishery, which would lead to lower resource prices, plant closures, and the eventual reduction in the number of fish harvesters; and the recommendation that government should legislate the processing of fish (ensure that raw material is processed to 'market ready' or 'shelf ready').

Port aux Choix

- Lions Club, February 5, 2002
- 200 people in attendance
- Scheduled Presenters: 5
- Open Microphone Speakers: 4
- Written Submissions: 2

General Themes:

- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.
- As seen in other sessions, most presenters were not specific in what amendments should be made, other than the 15% share restriction; there was a general call to protect jobs and communities.
- Several speakers spoke of the decline of FPI operations in Port aux Choix, from a ten-month, 500 worker plant to the present day shrimp operation of 150 people.
- Several fishermen spoke of the concern of an FPI monopoly on the fishery and its effect on fish prices.
- Other issues raised included calling for a freeze on shrimp licences and to tying quotas to plants and communities which have traditionally processed them.

Stephenville

- Holiday Inn, February 6, 2002
- 25 people in attendance
- Scheduled Presenters: 0
- Open Microphone Speakers: 9
- Written Submissions: 1

General Themes:

- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction. One speaker stated he would not support this amendment if preferred shares were included.
- Several speakers showed a general sense of mistrust for John Risley and the current Board of Directors of FPI.
- Some presenters did state the need to address the issue of quotas and the importance of ensuring that quotas stay within the province and are processed here.
- A concern was raised that the FPI Act only protects current FPI towns; the speaker noted that Government should set policies for the entire fishery - not just FPI towns.
- Two speakers noted that the proposed government action is not good from a business perspective. One speaker said that layoffs are a part of corporate life, and government should

negotiate an Memorandum of Understanding (MOU) on modernization and layoffs through attrition.

- Other recommendations included reintroducing the tax credit program to encourage Newfoundlanders and Labradorians to invest; action by the FFAW should be limited to contract negotiations; the province needs to extend jurisdiction to include the nose and tail of the Grand Banks to protect its resources; and government should work to stop foreign overfishing.

Triton

- Triton Municipal Building, February 7, 2002
- 350 people in attendance
- Scheduled Presenters: 8
- Open Microphone Speakers: 9
- Written Submissions: 2

General Themes:

- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.
- Several presenters stated that they wanted the proposed Clearwater Fine Foods deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI.
- Some presenters did state the need to address the issue of quotas and the importance of ensuring that quotas stay within the province and are processed here.
- Many presenters stated that government should negotiate an agreement in this matter instead of legislating change.
- With the exception of the proposed amendments regarding the 15% share restriction, most speakers were not specific in what amendments should be made; there was a general call to protect jobs and communities.
- Other recommendations included: keeping the company headquarters located in Newfoundland and Labrador; the company president should reside in Newfoundland and Labrador; government representation on the Board of Directors, one speaker pointed out that he only wanted to see government representation on the Board if it was an investor in the company; extending jurisdiction to include the nose and tail of the Grand Banks to protect resources; and government should work to stop foreign overfishing.
- Generally, presenters recognized the need for modernization in the fishing industry; they did not seem prepared to welcome modernization at a high cost to rural Newfoundland.

Fortune

- Lake Academy, February 11, 2002
- 600 people in attendance
- Scheduled Presenters: 14
- Open Microphone Speakers: 7

- Written Submissions: 12

General Themes:

- Since Fortune was one of the communities impacted by the proposed FPI investment plan, much anger was directed at FPI management and the Board of Directors.
- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction.
- Many presenters stated that they wanted the proposed Clearwater deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI.
- One presentation (Town of Grand Bank) provided a dissenting view at this meeting regarding the proposed legislation, and the proposed involvement of Clearwater. Grand Bank has a Clearwater plant that processes surf clams, provides 40 weeks of work per year, and, according to the Town, is an excellent corporate citizen. It was stated by the Town of Grand Bank that the issues facing the Committee could be best handled through constructive dialogue with FPI and other stakeholders. In particular, they opposed any clarification on the 15% share restrictions, to a government member on the Board, and any legislated action on quotas (felt the quota issue would best be dealt with through an MOU between the federal government and FPI).
- Other recommendations from all presentations ranged from legislating the headquarters remain in the province; establish a Task Force to develop a clear vision for the fishery of the future; and explore development of new markets for other species of fish.

Summary:

- Generally, meetings were very well attended, Stephenville was the exception (25); Stephenville does not have an FPI plant in operation.
- There was clear support for Government's position to clarify the spirit and intent of the 15% share restriction from the majority of presenters.
- Many presenters stated that they wanted the proposed Clearwater Fine Foods deal stopped. There was a general sense of mistrust for John Risley and the current Board of Directors of FPI.
- Many plantworkers expressed a sense of fear and uncertainty about the future, a desire to remain in their communities and be productive members of society.
- With the exception of the proposed amendments regarding the 15% share restriction, most speakers were not specific in what amendments should be made; there was a general call to protect jobs and communities.
- Some presenters stated the need to address the issue of quotas; to ensure that quotas stay and are processed within the province.
- A small minority of speakers and presenters were at odds with government's proposed amendments.

APPENDIX C

List of Presenters, Open Microphone Speakers, Written and E-Mail Submissions

January 28, 2002

Marystown
Pre-scheduled Presenters

Name	Affiliation/Community
Sam Synard	Mayor, Marystown
Ches Cribb Lawrence Antle	VP-FFAW/Marystown (Mr. Antle representing trawlermen)
Kevin Pickett	Marystown/Burin Area Chamber of Commerce
Allan Moulton (Tracey Hannam)	Marystown Local FFAW/CAW FFAW/CAW
Reg Anstey	FFAW
Donna Lundrigan (Barry Martin Fern Brown)	FFAW Chairperson-Burin Secondary Plant FFAW FFAW
Julie Mitchell Mary Shortall	South Coast District Labour Council Canadian Labour Congress-NF Rep.
Dr. George Anjilvel	Community Doctor
Teresa Power	Plant Worker
Lenus Bungay Gene King	Clearwater-Grand Bank-Facilities Manager Clearwater - Manager
John Crosbie	FPI
Wayne Butler Bern Harty	Marine Workers, MWS/CAW Local Secretary of Local
Laura Loughlin	Plant worker - Marystown

Marystown
Open-Microphone Speakers

Name	Affiliation
Terry Power	Plant Worker, Marystown
Mike Ryan	Concerned Citizen and School Board Employee
Fred Savoury	Grand Bank
Alan Moulton	Marystown Local FFAW/CAW
Ross King	Plant Worker
Gordon Dunphy	Concerned Citizen, St. Lawrence
Reg Anstey	FFAW
Sam Synard	Mayor, Marystown
Ben Baker	FFAW

Marystown
Written Submissions

Name	Affiliation/Community
Kevin Pickett	Chair-Economic Development Committee Marystown-Burin Area Chamber of Commerce **And** Schooner Regional Development Corporation
Allan Moulton	Local Executive, Marystown
Julie Mitchell	President, South Coast and District Labour Council
Theresa Power	Marystown Plant Worker
Donna Lundrigan	Chairperson, FFAW/CAW, Burin
Ches Cribb Lawrence Antle	Vice President, FFAAQ/CAW Trawlerman, FPI
John Crosbie	FPI
Laura Loughlin	FPI Plant worker
Tracey Hannam	Vice President, FFAW/CAW Marystown Local
Lindsay Baldwin	Plant Worker, FPI, Marystown (Letter to Mary Hodder)
Wayne Butler Bern Harty	President, Marine Workers Local 20 Secretary

January 29, 2002

Bonavista
Pre-scheduled Presenters

Name	Affiliation/Community
Beverly Dyke	FFAW Member - Plant Executive
Barry Randell	FFAW Chair and Town Councillor
Wilson Hayward	Former Fisherman
Eliza Swyers	Concerned Citizen
Hedley Butler	FFAW Executive Board and Town Councillor
Betty Fitzgerald	Mayor, Bonavista
Darryl Johnson	Mayor, Town of Port Union
Glen Little	Councillor
John Efford	Former Minister of Fisheries and Aquaculture
Ben Baker	FFAW
Gordon Bradley	Retired and President of Bonavista Historic Society, and Bonavista Historic Townscape Society
Tom Hanlon	President, NAPE
Leo Puddester	Employee Relations Officer, NAPE

Bonavista
Open Microphone Speakers

Name	Affiliation
John Efford	Former Minister of Fisheries and Aquaculture
Pius Power	Vice president, Fishermen's Union
Betty Fitzgerald	Mayor, Bonavista
Ben Baker	FFAW
Darryl Johnson	Mayor, Port Union

Bonavista
Written Submissions

Name	Affiliation/Community
Hedley Butler	Councillor, Town of Bonavista, Executive Board Member of the FFAW and fisherman
Glen Little	Town Councillor, Bonavista
Ben Baker	FFAW
Beverly Dyke	FPI Crab Plant Worker, Member of Plant Executive for FFAW-CAW
Gordon Bradley	Chairman, Bonavista Historic Townscape Foundation and Bonavista Historical Society

January 30, 2002

Twillingate
Pre-scheduled Presenters

There were no pre-scheduled presentations.

Twillingate
Open Microphone Speakers

Name	Affiliation
Pius Power	Vice president, Fishermen's Union
Paul Keane	FFAW
Dan Bath	Mayor, Twillingate
Harry White	Businessman, Twillingate
Cyril Dalley	Twillingate
Hubert Rideout	Concerned Fisherman
Gordon Noseworthy	Harbour Authority
Kay Boyd	Retired Taxpayer
Ben Baker	FFAW

Twillingate
Written Submissions

There were no written presentations submitted.

January 31, 2002

Harbour Breton
Pre-scheduled Presenters

Name	Affiliation/Community
Eric Day	FFAW President, Local 2450
Gloria Pearce	FFAW, Secretary of Local
Bill Snook	NLTA President
Churence Rogers	Mayor
Mildred Skinner	FFAW Inshore Council Representative for Burgeo to Rencontre. Member of Executive Board of FFAW representing female harvesters.
Tracey Perry	Coast of Bays Corporation
Will Reid	FFAW
Roy Drake	Business Owner and Councillor

Harbour Breton
Open Microphone Speakers

Name	Affiliation
Dianne Mullins	Harbour Breton
Margaret Coady	Plant Worker, Harbour Breton
Yvonne Bennett	Plant Worker
Junior Lambert	Plant Worker, Harbour Breton
Georgina Ollerhead	Concerned Citizen - Harbour Breton
Mr. Molloy	Plant Worker
Bob Cox	Harbour Breton
Eric Day	FFAW
Stewart May	Belleoram
Gail Hoskins	St. Alban's-active in economic development
Rick Stewart	Plant Worker

Harbour Breton
Written Submissions

Name	Affiliation/Community
Tracey Perry	Executive Director, Coast of Bays Corporation
Eric Day	FFAW President, Local 2450
Churence Rogers	Mayor, Town of Harbour Breton

February 5, 2002

Plum Point
Pre-scheduled Presenters

Name	Affiliation
Ernest Simms	St. Anthony
Reverend John McGonigle	Englee

Plum Point
Open Microphone Speakers

Name	Affiliation
Augustine Rumboldt	Mayor, Bird Cove
Albert Coles	Plant Worker, Savage Cove
Ralph Payne	Chair, St. Barbe Development Association
Michelle Dredge	Black Duck Cove
Gloria Barrett	Plant worker, Port aux Choix
Gerald Myers	Bird Cove
Gertrude Genge	Plant Worker, Englee
Ford Mitchelmore	Small Boat Fisherman, Green Island Cove
David Castle	Fisherman, Roddickton
Sam Hoddinott	Hawke's Bay

Plum Point
Written Submissions

Name	Affiliation/Community
Rev. John McGonigle, DM	Minister Englee Pastoral Charge, United Church of Canada
Ernest Simms	Mayor, Town of St. Anthony

February 5, 2002

Port au Choix
Pre-scheduled Presenters

Name	Affiliation/Community
Sean St. George	Executive Director Red Ochre Regional Board
Guy Perry	Staff Representative, FFAW
Matt Kelly	Local Chair, FFAW, Port au Choix
Tony Ryan	Mayor, Port Saunders
Vachon Noel	Mayor, Port aux Choix

Port au Choix
Open Microphone Speakers

Name	Affiliation
Edwin Broaders	
Holly Patey	River of Ponds
Alicia Patey	Plant Worker
Ben Baker	FFAW

Port aux Choix
Written Submissions

Name	Affiliation/Community
Sean St. George	Executive, Director, Red Ochre Regional Board Inc.
Tony Ryan	Mayor, Town of Port Saunders

February 6, 2002

Stephenville

There were no pre-scheduled presentations.

Stephenville
Open Microphone Speakers

Name	Affiliation
Joseph Benoit	Mayor, Cape St George
Wayne Wheeler	Optometrist, Business Man, Stephenville
Wayne Liam	Educator, Stephenville
Alistair Hann	Mayor, Burgeo
Jim Marsden	Concerned Citizen
Nelson Bennett	Representing a private investment fund, Pasadena
Don Hollett	Plant Worker, now in school at Stephenville
Leo Foley	Retired Teacher
Ben Baker	FFAW

Stephenville
Written Submissions

Name	Affiliation/Community
Joseph Benoit	Mayor, Cape St. George

February 7, 2002

Triton
Pre-scheduled Presenters

Name	Affiliation/Community
Linda Brett	Executive Director, Emerald Zone Corporation
Maurice Budgell	Private Businessman
Austin Noseworthy	Chair, Local FFAW
Perry Winsor	Deputy Mayor, Triton
Wilbur Winsor	Former Mayor
Lloyd Colbourne	Mayor, Robert's Arm
Father Ed Brophy	Parish Priest, Baie Verte Area
Kirby Canning	Chairman, Fisherman's Committee, Green Bay South

Triton
Open Microphone Speakers

Name	Affiliation
Ed Whelan	Triton Town Council
George Yates	Deputy Mayor - Springdale
Austin Noseworthy	Chair, Local FFAW
Gord Parsons	FPI Worker
Wilbur Winsor	Former Mayor
Ray Hunter	
Ben Baker	FFAW
Doris Strickland	Plant Worker, Triton
Kirby Canning	Chair, Fishermen's Committee, Green Bay South

Triton
Written Submissions

Name	Affiliation/Community
Lloyd Colbourne	Mayor, Town of Robert's Arm
Linda Brett	Executive Director, Emerald Zone Corporation

February 11, 2002

Fortune
Pre-scheduled Presenters

Name	Affiliation/Community
Charles Penwell	Mayor, Fortune
Rex Matthews Jim Tessier	Mayor, Grand Bank Town Manager
Earle McCurdy	FFAW
Jack Cumben	Plant Worker, Marystown
Bill Mullins	Chair, FFAW
Mary Shortall (Julie Mitchell Les Hillier)	Canadian Labour Congress
Wayne Moores	Plant Worker and Union Representative, Fortune
Peter Lockyer	FFAW
Elaine Price	NF and Labrador Federation of Labour
Rennie Stacey	President, Royal Canadian Legion
Darin King	Concerned Citizen, Fortune
Kevin Lundrigan	Mayor, Burin
Bill Broderick	Representing Inshore Fish Harvesters. He is also Vice president of Union

Fortune
Open Microphone Speakers

Name	Affiliation
Bill Matthews	M.P. Burin-St. George's
Eric Miller	Fisherman
Sandra Moores	Plant Worker, Fortune
Gord Murphy	Concerned Citizen, St. Lawrence
Enos & Edith Hodder	Business Owners, Marystown
Joanne Young	Plant Worker, Fortune
Ben Baker	FFAW

Fortune
Written Submissions

Name	Affiliation/Community
Jim Tessier	Town of Grand Bank
Rex C. Matthews	Mayor, Town of Grand Bank
Earle McCurdy	President, FFAW
Mary Shortall	Canadian Labour Congress
Charles Penwell	Mayor, Town of Fortune
Darin T. King	Concerned Citizen, Fortune
Kevin Lundrigan	Mayor, Town of Burin
Peter Lockyer	FPI Plant Worker, Vice Ppesident on Shift 2 Local Union
Wayne Moores	FPI Plant Worker
Wilmore Stockley Terrence Stacey	FPI Plant Worker FPI Plant Worker
Elaine Price	Newfoundland and Labrador Federation of Labour
Enos and Edith Hodder	Owners/Operators, Paint Shop, Marystown

E-Mails Received

Name	Community
Dan Weland	
Steve Ransier	Corner Brook, NF
Craig Hause	London, ON
Peter Murray	
Tyler Murphy	Wedgeport, Yarmouth Country, NS
Glenn Power	
James Lauder	
Craig Sheppard	Milton, F.V. Champney's East
Lori Power	St. John's, NF
Judy Day	Harbour Breton, NF
Judy Murray	Gander, NF
Rex Hunter	
James Poole	Ramea, NF
Melissa Moores	
Ann Cole	Chapel's Cove, NF
Gene King	Grand Bank, NF